

SUMMARY ANALYSIS OF AMENDED BILL

Author: Dymally Analyst: Nicole Kwon Bill Number: AB 1134
 Related Bills: See Prior Analysis Telephone: 845-7800 Amended Date: April 16 & 18, 2007
 Attorney: Daniel Biedler Sponsor: _____

SUBJECT: Enterprise Zone Qualified Primary Care Residency Program Credit

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

☒ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED February 23, 2007,
☒ STILL APPLIES.

OTHER – See comments below.

SUMMARY

This bill would create a credit for an unspecified percentage of the costs for a qualified primary care residency training program under the Enterprise Zone (EZ).

SUMMARY OF AMENDMENTS

The April 16, 2007, amendments changed the value of the medical equipment from \$100,000 to \$500,000 and specified additional qualified medical equipment under sales or use tax credit in the newly designated medical EZs.

The April 18, 2007, amendments made changes by eliminating the provisions designating ten medical EZs, eliminating a hiring credit for qualified taxpayers, and eliminating a sales or use tax credit for medical equipment. The April 18, 2007, amendments instead would allow a qualified primary care residency training program credit of an unspecified percentage for qualified taxpayers under the currently designated EZs. As a result of the amendments, even though the Implementation and Technical Considerations identified in the department's analysis of the bill as introduced on February 23, 2007, are no longer relevant, new Implementation Considerations are identified. In addition to the newly identified Implementation Considerations, a revised revenue estimate is provided below.

Board Position:

_____ S _____ NA _____ NP
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Legislative Director

Date

Brian Putler

4/27/07

POSITION

Pending.

IMPLEMENTATION CONSIDERATIONS

The bill would use the term “support” on page 18, line 23 and page 29, line 1, which should be defined. The bill provides no requirement that “support” be measured in direct relation to the physical operations inside an EZ.

The definition of “qualified taxpayer” should be clarified. For example, it is unclear if the author’s intention is to include an insurance company as a “qualified taxpayer.” The absence of clarification to this term could lead to disputes between taxpayers and the department.

The definition of “a primary care residency training program” should be defined. The absence of a definition for this term could lead to disputes between taxpayers and the department and would also complicate the administration of this credit.

ECONOMIC IMPACT

Because the bill does not specify the percentage of costs that qualify for the primary care residency training program credit, the revenue impact is unknown at this time.

LEGISLATIVE STAFF CONTACT

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